

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6216

BILL NUMBER: HB 1019

NOTE PREPARED: Feb 12, 2003

BILL AMENDED: Feb 10, 2003

SUBJECT: Insurance Coverage for Inherited Metabolic Disease.

FIRST AUTHOR: Rep. Frenz

FIRST SPONSOR: Sen. Miller

BILL STATUS: As Passed - House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill requires a state employee health benefit plan, a group accident and sickness insurance policy, and a group health maintenance organization contract to provide coverage for medical food prescribed for treatment of an inherited metabolic disease.

Effective Date: July 1, 2003.

Explanation of State Expenditures: (Revised) The state employee health plan currently provides treatment coverage for phenylketonuria. However, the amended version of this bill includes coverage for medical food that is prescribed by a covered individual's treating physician for treatment of the covered individual's inherited metabolic disease. The state insurers have been contacted regarding potential rate increases due to the amended version of this bill. Cost data will be updated when this information becomes available.

The state may choose to absorb any additional costs of these provisions or to pass these costs on to employees in the form of higher deductibles, higher premiums, or by limiting other conditions covered.

Explanation of State Revenues:

Explanation of Local Expenditures: (Revised) The cost to local governments will vary depending upon the structure of their health benefit packages. This coverage may already be included in some local government policies. Local governments that do not have this coverage may choose to pass the cost on to employees in the form of higher deductibles, higher premiums, or limiting other conditions covered. Cost sharing of health benefit premiums varies widely by locality.

Explanation of Local Revenues:

State Agencies Affected: Potentially all.

Local Agencies Affected: Potentially all local units of government and local school corporations.

Information Sources: Keith Beesley, State Department of Personnel, 317-232-3062.

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